

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

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E.O. 11652: N/A

TAGS: EFIN, EGEN, SP

SUBJ: KEY SPANISH ECONOMIC STATISTICS

REF: MADRID 6618; MADRID 5133; MADRID 4419

1. MOST RECENT FIGURES CONTINUE TO HIGHLIGHT PRESENT SPANISH ECONOMIC DIFFICULTIES CHARACTERIZED BY HIGH LEVEL OF INFLATION, CONTINUED REDUCED LEVEL OF INDUSTRIAL PRODUCTION, AND RISING UNEMPLOYMENT. DESPITE HIGH RESERVES, BALANCE OF PAYMENTS IS STILL A KEY PROBLEM. SEPTEMBER EXPORTS RECOVERED TO MORE SATISFACTORY LEVEL FOLLOWING SHARP DECLINE IN AUGUST WHILE IMPORTS, REFLECTING REDUCED LEVEL OF ECONOMIC ACTIVITY, CONTINUED DOWNWARD TREND. TRADE DEFICIT FOR 9 MONTHS IS NOW 6 PERCENT OVER SAME PERIOD 1974, A LOWER FIGURE THAN GENERALLY ANTICIPATED EARLIER THIS YEAR. FOREIGN EXCHANGE RESERVES DECLINED SLIGHTLY IN SEPTEMBER AND, IN ABSENCE OF FURTHER HEAVY GOS BORROWING ABROAD, CAN BE EXPECTED TO CONTINUE DOWNWARD FOLLOWING AUGUST PEAK OCCASIONED BY TOURIST REVENUES AND FOREIGN LOANS. CURRENT ACCOUNT DEFICIT OF ABOUT \$2.7 BILLION FOR 1975 (VS \$3.1 BILLION IN 1974) REMAINS MOST FREQUENTLY HEARD ESTIMATE.

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2. OUTLOOK FOR NEXT 6-12 MONTHS IS FOR LITTLE OR NO IMPROVEMENT IN PRESENT SITUATION, AND THERE IS GOOD POSSIBILITY ECONOMY WILL GET WORSE BEFORE IT GETS BETTER. GOS CONTINUES TO TREAT INFLATION AND BALANCE OF PAYMENTS AS WORSE EVILS THAN LOW OUTPUT AND RISING UNEMPLOYMENT AND IS STILL LOOKING FOR EVENTUAL HELP FROM REACTIVATED US AND WEST EUROPEAN ECONOMIES.

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YEAR	1975	PERCENT	END OR	CHANGE	ENTIRE	COMPARED	YEAR	WITH SAME	1974	PERIOD
1974										
COST OF LIVING INDEX (TREND)										
(8/75)(1968-100)	176.7	194.0	17.1							
INDUST. PRODUCTION (TREND)										
(1962-100)(6/75)	339.6	336.1	-7.1							
IMPORTS (THROUGH 9/75) A/										
15,425.2	12,308.6	9.1								
EXPORTS (THROUGH 9/75) A/										
7,090.1	5,507.8	13.1								
BALANCE OF TRADE DEFICIT										
(9/75) A/	8,362.1	6,800.8	6.0							
FOREIGN EXCHANGE RESERVES										
(9/75) A/	6,002.3	6,198.7	-2.2							
NUMBER OF TOURISTS (JAN- AUG, 1975) (PROV.)										
30,342.9	22,988.5	0.3								
TOURISM REVENUES (JAN- JULY, 1975) A/										
3,187.0	1,887.2	15.3								
NET TRANSFERES (JAN-JULY, LIMITED OFFICIAL USE										
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1975) A/	1,134.2	672.1	14.1							
UNEMPLOYMENT (TREND)(8/75) C/										
241.8	327.3	77.3								
MONEY SUPPLY (7/75) D/										
1,536.2	1,684.7	17.3								
A/ - IN MILLIONS OF DOLLARS.										

B/ - IN SEPTEMBER RESERVES DECLINED \$30.7 MILLION; IN SEPTEMBER
1974 THEY INCREASED \$90.5 MILLION; SINCE SEPTEMBER 1974
RESERVES HAVE DECLINED \$142.2 MILLION.

C/ - THOUSANDS OF PERSONS; NUMBER UNEMPLOYED AS OF AUGUST
1975 OFFICIALLY LISTED AS 309,174; UNOFFICIAL ESTIMATES
RANGE FROM 500,000 TO 600,000.

D/ - CAHS AND DEMAND DEPOSITS IN BILLIONS OF PESETAS,
SEASONALLY ADJUSTED.

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